

House Bill 1108

By: Representatives Lucas of the 139<sup>th</sup>, Porter of the 143<sup>rd</sup>, Smyre of the 132<sup>nd</sup>, Hugley of the 133<sup>rd</sup>, Watson of the 91<sup>st</sup>, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Article 5 of Chapter 4 of Title 46 of the Official Code of Georgia Annotated,  
2 known as the "Natural Gas Competition and Deregulation Act," so as to require the Public  
3 Service Commission to declare an emergency and regulate the delivery of natural gas to retail  
4 customers in this state; to provide for the applicability of certain laws with respect to the  
5 Public Service Commission's regulation of the delivery of natural gas to retail customers in  
6 this state; to authorize the Public Service Commission to promulgate and adopt rules and  
7 regulations; to authorize the merger of an electing distribution company and its affiliate  
8 marketer; to provide that nothing in this Act shall be construed to impair the obligation of any  
9 contract; to provide for contracts between electing distribution companies and marketers,  
10 between marketers and retail customers, between electing distribution companies and the  
11 regulated provider, and between the regulated provider and the Public Service Commission  
12 or the state; to provide that upon the expiration of certain contracts, electing distribution  
13 companies shall be prohibited from distributing natural gas to certain marketers and the  
14 regulated provider; to provide for the assignment of retail customers whose marketer no  
15 longer sells natural gas in intrastate commerce to retail customers; to provide for transfer and  
16 distribution of moneys in the universal service fund; to provide for related matters; to provide  
17 an effective date; to repeal conflicting laws; and for other purposes.

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

19 **SECTION 1.**

20 Article 5 of Chapter 4 of Title 46 of the Official Code of Georgia Annotated, known as the  
21 "Natural Gas Competition and Deregulation Act," is amended by adding four new Code  
22 sections as follows:

23 "46-4-167.

24 On July 1, 2006, the Public Service Commission shall declare an emergency in the delivery  
25 of natural gas in this state. After the declaration of such emergency, the alternative form

1 of regulation of the natural gas industry shall no longer be effective and Code Sections  
2 46-2-23.1 and 46-4-150 through 46-4-166 shall no longer be applicable to regulation of the  
3 natural gas industry, gas companies, and persons or companies selling natural gas in  
4 intrastate commerce to retail customers in this state. After the declaration of such an  
5 emergency, electing distribution companies, marketers, and the regulated provider selected  
6 in accordance with Code Section 46-4-166, heretofore governed by the provisions of this  
7 article, shall be governed by provisions of law other than Code Sections 46-2-23.1 and  
8 46-4-150 through 46-4-166 and by rules and regulations of the commission not in conflict  
9 with such other laws.

10 46-5-168.

11 After the declaration of an emergency as provided in Code Section 46-5-167, an electing  
12 distribution company and its affiliate marketer may merge into a single gas company to be  
13 regulated in the same manner as gas companies were regulated prior to the issuance of a  
14 certificate of authority as provided in Code Section 46-4-153 and the implementation of  
15 this article. Such a gas company shall be regulated by provisions of law other than Code  
16 Sections 46-2-23.1 and 46-4-150 through 46-4-166 and by rules and regulations of the  
17 commission not in conflict with such other laws.

18 46-5-169.

19 (a) Except as otherwise provided by this Code section, contracts between an electing  
20 distribution company and a marketer, between a marketer and a retail customer, between  
21 an electing distribution company and the regulated provider, between the regulated  
22 provider and a retail customer, and between the regulated provider and the Public Service  
23 Commission or the State of Georgia shall remain valid and enforceable unless otherwise  
24 terminated by the parties thereto.

25 (b) Upon the declaration of an emergency as provided in Code Section 46-5-167, an  
26 electing distribution company and any marketer may, upon mutual agreement, elect to  
27 terminate a contract which provides for the distribution of natural gas from the electing  
28 distribution company to the marketer. Upon such a mutual agreement, any retail customers  
29 of such marketer, which ceases to engage in the business of providing natural gas in  
30 intrastate commerce to retail customers in this state, shall be assigned to the electing  
31 distribution company which distributed natural gas to the marketer or to such gas  
32 company's affiliate marketer. Any such marketer which ceases to engage in such business  
33 shall be required to furnish all records and billing information relating to its retail

1 customers to the gas company or its affiliate marketer to which the retail customers are  
2 assigned.

3 (c) On and after the date of the declaration of an emergency as provided in Code Section  
4 46-5-167, marketers shall be prohibited from renewing a contract with a retail customer or  
5 executing a new contract with a retail customer the terms of which would extend beyond  
6 the date of the expiration of the contract existing on the date of the declaration of an  
7 emergency between the electing distribution company and the marketer which provides for  
8 the distribution of natural gas from the electing distribution company to the marketer.

9 (d) After the declaration of an emergency as provided in Code Section 46-5-167 and upon  
10 the expiration of any contract between an electing distribution company and a marketer  
11 which provides for the distribution of natural gas from the electing distribution company  
12 to the marketer, other than a contract with the electing distribution company's affiliate  
13 marketer, the electing distribution company shall be prohibited from any further  
14 distribution to such marketer of any natural gas to be resold in intrastate commerce to retail  
15 customers in this state.

16 (e) On and after the date of the declaration of an emergency as provided in Code Section  
17 46-5-167, the regulated provider selected in accordance with Code Section 46-4-166 shall  
18 be prohibited from executing a contract or renewing a contract with the electing  
19 distribution company that provides for the distribution of natural gas from the electing  
20 distribution company to such regulated provider the terms of which would extend beyond  
21 the date of the termination of any contract between such regulated provider and the Public  
22 Service Commission or the State of Georgia for the sale of natural gas in Georgia in  
23 accordance with Code Section 46-4-166.

24 (f) On and after the date of the declaration of an emergency as provided in Code Section  
25 46-5-167, the regulated provider selected in accordance with Code Section 46-4-166 shall  
26 be prohibited from executing a contract or renewing a contract with any retail customer in  
27 Georgia that provides for the distribution of natural gas to the retail customer the terms of  
28 which would extend beyond the date of the termination of any contract between such  
29 regulated provider and the Public Service Commission or the State of Georgia for the sale  
30 of natural gas in Georgia in accordance with Code Section 46-4-166.

31 (g) On and after the date of the declaration of an emergency as provided in Code Section  
32 46-5-167 and upon the expiration of any contract between the regulated provider and an  
33 electing distribution company that provides for the distribution of natural gas from the  
34 electing distribution company and the expiration of any contract between such regulated  
35 provider and the Public Service Commission or the State of Georgia for the sale of natural  
36 gas in Georgia in accordance with Code Section 46-4-166, the electing distribution

1 company shall be prohibited from any further distribution to such regulated provider of any  
2 natural gas to be resold in intrastate commerce to retail customers in this state.

3 (h) On and after the date of the declaration of an emergency as provided Code Section  
4 46-5-167 and upon the expiration of any contract between the regulated provider and an  
5 electing distribution company that provides for the distribution of natural gas from the  
6 electing distribution company and the expiration of any contract between such regulated  
7 provider and the Public Service Commission or the State of Georgia for the sale of natural  
8 gas in Georgia in accordance with Code Section 46-4-166, any moneys in the universal  
9 service fund created in accordance with Code Section 46-4-161 shall be transferred to the  
10 Department of Human Resources for distribution to low and fixed income consumers of  
11 natural gas in accordance with Code Section 46-1-5.

12 (i) Nothing in this Code section shall be construed to impair the obligation of any contract.

13 46-5-170.

14 The Public Service Commission is authorized to promulgate and adopt rules and  
15 regulations necessary to carry out the provisions of Code Sections 46-4-167 through  
16 46-4-169."

17 **SECTION 2.**

18 This Act shall become effective July 1, 2006.

19 **SECTION 3.**

20 All laws and parts of laws in conflict with this Act are repealed.